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April 18, 2007

VIA ELECTRONIC FILING AND HAND DELIVERY

The Honorable Joseph J. Farnan, Jr.
United States District Court
844 N. King Street
Wilmington, Delaware 19801

Re: *Charles A. Stanziale, Jr., Chapter 7 Trustee of Student Finance Corp. v. McGladrey & Pullen LLP, et al.*, Civil Action No. 05-72-JJF

Royal v. Pepper Hamilton, et al., Civil Action No. 05-165-JJF

Dear Judge Farnan:

We are counsel for Royal Indemnity Company ("Royal") in the above-referenced matters currently pending before Your Honor.

On February 7, 2007, in response to a request by Pepper Hamilton LLP, Your Honor directed that communications between Royal and the Chapter 7 Trustee of Student Finance Corporation (the "Trustee") be produced for the period from the date of the Trustee's appointment through the date of the settlement agreement between Royal and the Trustee in the underlying Chapter 7 case of Student Finance Corporation. In response to your February 7, 2007 decision, Royal has produced to the defendants in the above-referenced cases, CDs containing emails and other correspondence between counsel for Royal and counsel for the Trustee for the period from September 23, 2003 (the date of the Trustee's appointment) through October 10, 2004 (the last day prior to the conclusion of the settlement agreement between Royal and the Trustee).

Although the settlement agreement between Royal and the Trustee was not formally reached until October 11, 2004, counsel for Royal and for the Trustee were working cooperatively prior to that date. In those cooperative efforts, they exchanged material which clearly constitutes work product in anticipated reliance on their joint efforts being protected in light of their common interest. As a result, Royal has withheld from its production a small number of communications between Royal and the Trustee, which Royal respectfully submits constitute shared work product. While they predate somewhat the formal settlement entered into by Royal and the Trustee, Royal respectfully asserts that they should still be protected from production in this context. Copies of those communications are enclosed for Your Honor's *in camera* review.

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By this letter, Royal respectfully requests that the Court consider clarifying or amending its February 7, 2007 ruling on this issue to provide that work product shared by the Trustee and Royal as contained within the enclosed communications should be protected.

If the Court has any questions or would like additional information concerning the issue we would be happy to address such matters at the Court's convenience.

Respectfully submitted,

/s/ Tiffany Geyer Lydon

Tiffany Geyer Lydon

Enclosures (only with hand delivery)

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